

FISCAL NOTE

Bill #: HB 631

Title: MPC capital gains receipts for
Vo-Tech scholarships

Primary

Sponsor: William "Bill" Rehbein Jr.

Status: As Introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$20,000,000	\$0
State Special Revenue	\$1,080,000	\$1,086,000
Revenue:		
State Special Revenue	\$1,080,000	\$1,086,000
Non-expendable trust	20,120,000	\$121,000
Net Impact on General Fund Balance:	(\$20,000,000)	`\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. \$20,000,000 of "One-Time Capital Gain on Generation Assets" would flow from the general fund to Resident Student Vocational-Technical Training Program non-expendable trust in FY00.
2. The Board of Investments expects a 6% return on new money into a trust. This would be return \$1,200,000 per year in interest. 90% is expendable for scholarships, 10% goes to the corpus.
3. Amount available for scholarships would be \$1,080,000 and \$1,086,000. The amount in interest returned to the trust is \$120,000 in FY00 and \$121,000 in FY01
4. The current estimate of the revenue (HJR 2) from the "One-Time Capital Gain on Generation Assets" is \$30,000,000.

Fiscal Note Request, HB631, As Introduced

Page 2

(continued)

5. The availability of scholarships would increase attendance at the Colleges of Technology, but it is impossible to determine how much. There are enough Montana residents attending the colleges of technology now to use all the funds at \$1,000 per student.

FISCAL IMPACT:

	FY2000 <u>Difference</u>	FY2001 <u>Difference</u>
<u>Expenditures:</u>		
Benefits	\$1,080,000	\$1,086,000
Transfers	<u>20,000,000</u>	<u>0</u>
TOTAL	\$21,080,000	\$1,086,000

Funding:

General Fund (01)	\$20,000,000	\$0
State Special Revenue (02)	<u>1,080,000</u>	<u>1,086,000</u>
TOTAL	\$21,080,000	\$1,086,000

Revenues:

State Special Revenue (02)	\$1,080,000	\$1,086,000
Non-expendable Trust (09)	<u>20,120,000</u>	<u>121,000</u>
TOTAL	\$21,200,000	\$1,207,000

Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	(\$20,000,000)	\$0
State Special Revenue (02)	\$0	\$0
Non-expendable Trust (09)	\$20,120,000	\$121,000

LONG-RANGE IMPACTS:

Approximately \$1,000,000 per year in scholarships for Montana residents to attend vocational -technical training at the Colleges of Technology would increase attendance at those institutions.